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STATEMENT OF REAR ADMIRAL R.H. HILLENKOTTER, DIRECTOR
OF CENTRAL INTELLIGENCE, BEFORE THE SENATE COMMITTEE
ON APPROPRIATIONS, 20 MAY 1947.

Mr. Chairman and Members of the Committee:

I wish, with your permission, to preface any questions you may have regarding the activities of the Central Intelligence Group with a few remarks as to our organization. I wish first to state, however, how much I appreciate the opportunity of making my appearance before this special Committee to review our budget.

The most important problem which I think we face in the Central Intelligence Group is that of security. I wish to stress that point, because there are two things which we consider among our topmost secrets. The first of these is the amount and location of our budget, and the second is the number of our personnel.

The budget we are asking for is

While we realize that this is not the most convenient way to manage this situation, it is the most feasible in the interests of security. That portion of our funds which is in budgets have already been allocated by the House Appropriations Committee.

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Perhaps you question why it is necessary to maintain the top secrecy of our budget and personnel strength. The answer is that, if an enemy power knew the amount of our budget, it would be comparatively easy for him to figure the size of our operation. The cost of maintaining an agent in the field is approximately [REDACTED] and is a fairly fixed cost. Months and even years of work may be involved in building up and maintaining his cover. It involves the cost of organization and lines of communication to that agent. It involves the highest form of security. That is why it is necessary

[REDACTED]
[REDACTED]. Furthermore, if our personnel figures are known, it will be very easy for an enemy power again to figure the amount and scope of our operations. This we are determined that no one shall do. There is nothing in our organization which we do not wish to lay bare to appropriate Congressional scrutiny at any time. But, for the reasons I have outlined above, this knowledge is, to us, a sacred trust.

I do not wish to go into great detail in this prepared statement regarding our organization, as several of you gentlemen heard General Vandenberg's testimony on the subject before the Armed Services Committee, and because I feel that those points in which you are most interested can best be brought out by questions and answers.

However, in brief review I wish to remind you that the
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President, by Executive Directive of 22 January 1946, created the National Intelligence Authority, which consists of the Secretaries of State, War and the Navy, and the personal representative of the President -- in this case Fleet Admiral Leahy. As Director of Central Intelligence, I sit as a non-voting member of the Authority. The Authority directs and controls the activities of the Central Intelligence Group, of which I have been Director since the first of May 1947.

The Director of Central Intelligence is presently charged with the following basic functions:

1. The collection of foreign intelligence information of certain types -- without interfering with or duplicating the normal collection activities of the military and naval intelligence services, or the Foreign Service of the State Department.
2. The evaluation, correlation and interpretation of the foreign information collected, in order to produce the strategic and national policy intelligence required by the President and other appropriate officials of the Government.
3. The dissemination of the national intelligence produced.
4. The performance of such services of common concern to the various intelligence agencies of the Government as can be more efficiently accomplished centrally.

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5. Planning for the coordination of the intelligence activities of the Government, so as to secure the most effective accomplishment of the national intelligence objectives.

It should be noted particularly that the President's Directive specifically excludes any policy, law enforcement or internal security functions by the Group.

The collection of the intelligence mentioned above includes the gathering of information by clandestine methods -- or, to put it bluntly, by means of spies. Because it is axiomatic in the business that when more than one agency engages in clandestine operations, these agents tend to uncover one another, it was the experience of those nations who have successfully operated in the field of clandestine intelligence that one agency must do the whole job. It was the experience of the Germans, among others, that when more than one agency operated in the clandestine field there was no coordination, and each agency attempted to make certain that they had the choicest information to pass on to the appropriate authorities, without centralizing it, so that the whole picture would be apparent.

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sources of intelligence -- particularly of the economic and political variety. In evaluating, correlating and interpreting the foreign intelligence information collected,

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we add to it the vast bulk of readily available material which forms approximately 80% of the intelligence whole. This information is produced by the various attaches -- military, naval, air, Foreign Service, commercial, agricultural and the rest, together with the mines of material to be found in books, scientific treatises, atlases, photographs, the foreign press and the monitoring of foreign broadcasts.

Information gathered in the field is sent to the department responsible for its collection. This material is necessary to that department, in the course of its day-to-day operations. Each department must have personnel available to digest this information and put it to such use as is necessary within that department. The heads of Government departments and agencies must be constantly informed of the situation within their own fields to discharge their obligations to this country. With this departmental necessity, Central Intelligence will not interfere. Each department must evaluate and correlate and interpret that intelligence information which is within its own exclusive competence and which is needed for its own departmental use.

The importance of research to the Central Intelligence Agency becomes evident when we start to deal with intelligence on a national as distinguished from a departmental level. The research provided by the central agency must be turned to the production of estimates in the field of national intelligence. National intelligence is that composite intelligence, interdepartmental in character,

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which is required by the President and other high officials and staffs to assist them in determining policies with respect to national planning and security in peace and in war, and for the advancement of broad national policy. National intelligence ^{is in} that broad political-economic-military area, of concern to more than one agency. It must be objective, and it must transcend the exclusive competence of any one department.

The estimates furnished in the form of strategic and national policy intelligence by the Central Intelligence Group fill a most serious gap in our present intelligence structure. These estimates should represent the most comprehensive, complete and precise national intelligence available to the Government. Without a central research staff producing this material, an intelligence system would merely resemble a costly group of factories, each manufacturing component parts, without a central assembly line for the finished product.

The third component of the successful Central Intelligence Agency is that dealing with dissemination. Just as there is no purpose in collecting intelligence information unless it is subsequently analyzed and worked into a final product, so there is no sense in developing a final product if it is not disseminated to those who have need of it. The dissemination of intelligence is mandatory to those officials of the Government who need it to make their decisions.

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In addition to the functions mentioned, it is necessary for a Central Intelligence Agency to perform others of common concern to two or more agencies. These are projects which it is believed can be most efficiently or economically performed centrally. An example of such a service is the monitoring of foreign voice broadcasts. There are many departments of the Government vitally interested in this matter. No one department should shoulder the burden of its operation and expense. Nor should two or more agencies be duplicating the operation. It should rest with a central agency to operate such a service for all. Similarly, we have centralized the activities of the various foreign document branches which were operated by some of the services individually or jointly during the war.

Finally, as I stated, we are charged with planning for the coordination of the foreign intelligence activities of the Government. Contrary to some criticism which has appeared in the public press, the full operation of a Central Intelligence Agency will not interfere with the legitimate activities of the several departments and their agencies, nor will it duplicate their work. I can say that the several coordinated plans and programs already in effect or in preparation have the support of the agencies. They see in these programs prospects for orderly operations and elimination of wasteful duplications. When every intelligence agency knows exactly what is expected of it

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in relation to its departmental mission and to the national intelligence mission, and when it can count, as the result of firm agreement, on being supplied with what it needs from other fields, each agency can concentrate on its own primary field and do that superior job which world conditions require.

By the assignment of primary fields of intelligence responsibilities, we are -- in the fields of collection, production and dissemination -- preventing overlapping functions -- that is, eliminating duplicate roles and missions, and eliminating duplicate services in carrying out these functions.

For these reasons, gentlemen, it is necessary for us to have the funds which we have requested. I am now at your disposal for any questions regarding the detailed break-down of these ^{Funds}~~monies~~.

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